

Policy 700.1 – Incentive Award Program

Date Adopted: 4/22/03

Issuing Office: Administration & Finance

Date Revised:

Approved By:

References: 2-8-1011 through 1106, M.C.A.; M.O.M. 3-0550

I. POLICY

The University of Montana Western utilizes an Incentive Award Program to recognize and monetarily reward employees and students for suggestions improving the effectiveness of University affairs or services to the public and/or students.

II. PURPOSE

The purpose of this policy is to reward individuals for suggestions that improve the effectiveness of University affairs or improve services to the public and/or students without increasing the cost of University operations.

III. PROCEDURES

The Chancellor will appoint an Incentive Award Committee comprised of eight (8) members: two faculty members recommended by Faculty Senate, two administrators appointed by the Chancellor, two staff members recommended by Staff Association, and two student representatives recommended by ASUMW. Appointees shall serve a two-year term. Committee members shall select a Chair. The committee will convene on a regular basis, at least quarterly.

Committee members will be charged with the responsibility of investigating and evaluating suggestions, recommending approval or disapproval of the suggestion, recommending the award amount, and forwarding the recommendation(s) to the appropriate executive officer and the Chancellor for final approval.

The committee will prepare and submit a list of Incentive Awards and the corresponding savings to the University resulting from each employee's or student's suggestion to the State Department of Administration. The report will include the number of Incentive Awards granted, to whom each award was granted, the estimated value of each achievement or outcome, and the outcome of each award. The report must be submitted within thirty (30) days after the end of each fiscal year.

1. Definitions

Employee means any permanent or temporary administrator, faculty, or classified staff employee of the University of Montana Western.

Group or team of employees, as defined in 2-18-1101 M.C.A., means "a group, team or work unit of employees working cooperatively."

Student means any student attending the University of Montana Western.

2. Eligibility

An employee or student, as defined above, may be eligible for an Incentive Award if his/her suggestion results in:

- a. eliminating or reducing University expenditures not later than the end of the ensuing biennium without adverse material effect on quality or scope of service; and/or
- b. improving services to the public/students by permitting more work to be accomplished within the University without increasing the cost of operations.

An employee will not be eligible for an Incentive Award if the proposal directly relates to the employee's assigned duties and responsibilities unless the suggestion is so superior or meritorious as to warrant special recognition, as determined by the Incentive Award Committee and the Chancellor.

Proposals relating to the following matters may not be considered for awards:

- a. personnel grievances;
- b. classification and pay of positions;
- c. proposals resulting from assigned or contracted audits, studies, surveys, reviews, or research;
- d. matters recommended for study or review; and
- e. proposals resulting from employees' service on University committees.

If duplicate suggestions are received, the one bearing the earliest date of receipt by the Incentive Award Committee will be eligible for consideration and all other shall be ineligible. Similar suggestions may be eligible for consideration to the extent the subsequent proposal(s) adds to the cost savings or value of improved services realized by the first suggestion.

If a dean, director, executive officer, or other administrator modifies a suggestion that is subsequently approved, the employee is eligible for an award based only on the savings or value of improved services that directly result from the suggestion. Parts of a suggestion not used or modifications made during the administrative review may not be used as a basis for calculating the amount of an employee's award. Parts of a suggestion may be considered ineligible.

A current employee/student will be entitled to an award if a previously unadopted suggestion is adopted and implemented within two (2) years of the proposal being formally submitted under this program. Employees will be responsible for notifying the Incentive Award Committee if their previously unadopted suggestion is adopted.

3. Amount of Award

After final approval by the Chancellor and implementation of an employee/student's suggestion, the employee/student may be granted an Incentive Award in an amount equal to ten percent (10%) of the savings resulting from implementing the proposal for one (1) year up to a maximum of \$500 for an award for which a documented value cannot be calculated, or up to \$17,000 for an achievement or outcome with a documented value.

The payment will be made in a single, lump-sum award, and will be in addition to the employee/student's regular compensation.

The amount of an award for a suggestion by a group of employees/students will be determined on the same basis as if the proposal had been submitted by one employee/student. The amount awarded will not exceed a total of \$500 for an award for which a documented value cannot be calculated, or up to \$17,000 for an achievement or outcome with a documented value, and will be equally divided among the employees/students making the suggestion.

4. Procedures for Submission of Suggestions

Employees/students submitting a proposal for consideration of an Incentive Award will adhere to the following procedures:

- a. Formal suggestions must be submitted on forms prescribed by the Incentive Award Committee. Incomplete forms will be returned to the person(s) submitting the proposal.
- b. The employees/student is responsible for researching the cost savings of their suggestion and for providing data supporting the estimated savings.
- c. Employees may submit suggestions for use in other departments.
- d. Proposals are to be submitted to the Vice Chancellor for Administration & Finance/Student Affairs. A log of submitted proposals will be maintained in that office and proposals will be forwarded to the Chair of the Incentive Award Committee and the administrator of the relevant department(s).
- e. The department administrator shall evaluate the proposal and complete the appropriate form, including a statement concerning feasibility of implementation, cost savings analysis, and recommended modifications. The administrator will determine if the proposal is part of the employee's regularly assigned duties and responsibilities. The completed form will be forwarded to the Incentive Award Committee within thirty (30) days of receipt.
- f. The Incentive Award Committee will review the proposal(s) within thirty (30) days of receipt of completed information. If a proposal is recommended by the Committee for approval, the projected cost savings will be verified by the Budget Office. The Committee's final recommendation will be forwarded to the appropriate Executive Officer and Chancellor for final approval.

IV. AUTHORITY

2-8-1011 through 1106, M.C.A.; M.O.M. 3-0550

V. RESPONSIBILITY

Vice Chancellor for Administration & Finance/Student Affairs, Incentive Award Committee,
Chancellor